

Message Text

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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9799

C O N F I D E N T I A L SAN JOSE 1343

LIMDIS

E.O. 11652: XGDS-1

TAGS: PFOR, PGOV, CS

SUBJECT: VESCO CASE

1. DURING LUNCHEON WITH PRESIDENT ODUBER ON APRIL 1
CONVERSATION FOCUSSED FOR MORE THAN HALF-AN-HOUR ON VESCO.

2. ODUBER SAID HE WAS HAPPY TO BE ABLE TO TALK ABOUT
THIS CRITICAL PROBLEM WITH ME SINCE THERE WERE SO FEW
PERSONS WHO COULD BE TRUSTED COMPLETELY, INCLUDING HIS
FOREIGN MINISTER, ON MATTERS CONCERNING VESCO.

3. ODUBER DESCRIBED THE VESCO PROBLEM AS ONE WHICH HAS
THE POTENTIAL OF TEARING THE COUNTRY APART POLITICALLY.
HE CLAIMED TO HAVE HAD MANY PRIVATE FIGHTS WITH FORMER
PRESIDENT FIGUERES ON THIS ISSUE, BUT HE SAID HE IS NOT
WILLING TO TAKE THESE FIGHTS INTO THE OPEN SINCE THEY WOULD
SPLIT THE PLN PARTY, OF WHICH THEY ARE BOTH MEMBERS, AND
WOULD HAVE SERIOUS CONSEQUENCES FOR THE FUTURE OF THE
COUNTRY.

4. ODUBER STRESSED THAT HE WANTS VESCO OUT OF THE
COUNTRY BUT ONLY BY LEGAL MEANS. THUS HE HAS REFUSED OFFERS
FROM OTHER LATIN AMERICAN PRESIDENTS TO SPIRIT VESCO OUT.
VESCO HAD MADE HIM VERY ATTRACTIVE FINANCIAL AND BUSINESS
OFFERS, ALL OF WHICH HE HAD REFUSED, ASSURING VESCO THAT
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THERE WAS NO NEED FOR HIM TO MAKE ANY DEALS SINCE NO ACTION

WOULD BE TAKEN AGAINST HIM EXCEPT ON PROPER LEGAL GROUNDS.

5. WHEN ODUBER EXPRESSED A HOPE THAT THE UNITED STATES WOULD PROCEED WITH ANOTHER EXTRADITION ATTEMPT AND I ASKED WHETHER THE "VESCO" LAW WOULD NOT CREATE INSURMOUNTABLE OBSTACLES TO SUCCESS, ODUBER SAID HE HAD BEEN ASSURED BY ADVISORS THAT IT WOULD NOT. I RECALLED OUR JUNE 1974 AIDE MEMOIRE WHICH RAISED SEVERAL POINTS THAT SUGGESTED COMPLICATIONS FOR US AND TO WHICH WE HAD NEVER RECEIVED A REPLY. ODUBER PROMISED TO HAVE HIS LEGAL EXPERTS STUDY THE AIDE MEMOIRE AND PROVIDE A DETAILED REPLY. HE SAID HE IS NOW WORKING ON A REVISION OF THE EXTRADITION LAW AND ONCE STUDIES ARE COMPLETED HERE, HE WOULD BE PREPARED TO HAVE SOMEONE GO TO THE UNITED STATES TO DISCUSS THE PROPOSED REVISIONS WITH APPROPRIATE U.S. GOVERNMENT OFFICIALS TO INSURE THAT ANY OBSTACLES THAT MIGHT EXIST IN THE VESCO LAW WOULD BE REMOVED IN THE NEW LAW.

6. ODUBER SAID HE INTENDS TO ALLOW ANY CIVIL SUITS AGAINST VESCO TO BE PURSUED SO THAT ANY INJURED PARTIES WOULD BE ABLE TO RECOVER WHATEVER ASSETS RIGHTFULLY BELONG TO THEM. HE MENTIONED THAT A FUND OF FUNDS REPRESENTATIVE FROM CANADA HAD WRITTEN TO HIM STATING THAT THE ASSETS OF INTER-AMERICAN CAPITAL CORPORATION IN COSTA RICA BELONG TO FUND OF FUNDS. ODUBER SAID HE WOULD ARRANGE A CONFRONTATION BETWEEN THE FUND OF FUNDS REPRESENTATIVE AND A VESCO REPRESENTATIVE THIS WEEKEND IN ORDER TO HEAR THE FULL STORY AND WOULD THEN FACILITATE THE MATTER GOING TO THE COURTS FOR A PROPER SETTLEMENT. HE WAS PREPARED TO COOPERATE FULLY WITH ANY OTHER ATTEMPTS TO RECOVER FUNDS WHICH WERE ILLEGALLY OR FRAUDENTLY TAKEN BY VESCO.

7. ODUBER EXPRESSED FULL AWARENESS OF THE HARM TO COSTA RICA'S IMAGE ABROAD THAT IS BEING DONE BY VESCO'S CONTINUED PRESENCE HERE. HE SAID HE IS CONSIDERING WHAT STEPS MIGHT BE TAKEN, INCLUDING POSSIBLY A PERSONAL TRIP TO THE UNITED STATES TO TRY TO RESTORE THE UNTARNISHED IMAGE THAT COSTA RICA HAD PREVIOUSLY ENJOYED.

8. ODUBER EXPRESSED UNDERSTANDING FOR THE INVESTIGATIONS
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BY SENATOR JACKSON, WHOM HE CONSIDERS A GOOD FRIEND. HE INSISTED, HOWEVER, THAT THE SENATOR HAD BEEN MISINFORMED ON THE MATTER OF ANY ARMS BEING IMPORTED INTO COSTA RICA BY VESCO. HE SAID HE HAD CONSIDERED TRAVELING TO THE U.S. LATE LAST YEAR ON THE PRETEXT OF GOING TO THE GENERAL ASSEMBLY, BUT REALLY TO HAVE PRIVATE MEETINGS WITH SENATORS JACKSON AND HUMPHREY TO TALK ABOUT THE VESCO MATTER. HOWEVER, HE HAD DECIDED AGAINST THE TRIP LEST THE ADMINISTRATION MISINTER-

PRET IT AS AN ATTEMPT BY HIM TO GO DIRECTLY TO THE OPPOSITION PARTY. PRESIDENT ODUBER WAS PLEASED TO LEARN OF SENATOR JACKSON'S DESIRE THAT THE INVESTIGATION NOT BE CONDUCTED IN ANY WAY THAT COULD HARM U.S.-COSTA RICAN RELATIONS.

9. ODUBER SAID THAT HE WOULD WORK VERY CLOSELY WITH ME ON VESCO ISSUE TO INSURE ITS RESOLUTION IN A WAY SATISFACTORY TO THE UNITED STATES AND NOT HARMFUL TO COSTA RICA. HE PROMISED TO STUDY ASSISTANT SECRETARY ROGER'S LETTER OF MARCH 19 CAREFULLY AND TO INFORM ME OF ANY REACTIONS.

10. ODUBER SAID THAT EUROPEANS AND PARTICULARLY GERMANS ARE SO CONCERNED ABOUT COSTA RICA'S SHELTERING OF VESCO AND MCALPIN THAT SOME GERMAN POLITICIANS WERE RELUCTANT TO HAVE THEIR NAMES ASSOCIATED WITH COSTA RICA AND SOME GERMAN ASSISTANCE TO COSTA RICA HAD STOPPED FOR THAT REASON.

11. MY IMPRESSION IS THAT ODUBER IS INDEED SERIOUSLY CONCERNED ABOUT THE HARM THAT VESCO'S PRESENCE IS DOING TO HIM POLITICALLY AND TO COSTA RICA INTERNATIONALLY AND HE DOES WISH TO FIND A WAY OUT OF THIS PROBLEM. CHANCES SEEM EVEN THAT HE WILL COOPERATE WITH US IN GETTING AN AMENDED LAW WHICH MIGHT INCREASE OUR CHANCES FOR A SUCCESSFUL EXTRADITION ATTEMPT LATER.

12. IN LIGHT OF POSSIBILITY ODUBER MORE WILLING TO COOPERATE NOW, RECOMMEND DEPARTMENT REVIEW AGAIN JUNE 1974 AIDE MEMOIRE TO ENSURE THAT IT FULLY COVERS GROUND AS IT RELATES TO VESCO.
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